GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:621
ANSWERED ON:09.07.2004
INFLATION RATE QUESTION
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that the rise in prices of petroleum products, food and manufactured articles including metals caused a sharp increase in the rate of inflation;

(b)if so , the facts and details thereof ;

(c)whether the Government has formulated any strategy to check the price rise and to contain inflation rate ; and

(d)if so ,the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANIKKAM)

(a) & (b) : Yes, Sir. The annual rate of inflation on point to point basis in terms of Wholesale Price Index (Base: 1993-94) as on 19th June 2004, stood at 5.87 per cent compared to 5.21 per cent a year ago. Details of broad group- wise inflation rates are given in table below :

Group/Items	Wt.(%)	Annual Rate of inflation(%) (at the end of 3rd week of June)	
		2004-2005	2003-2004
All commodities	100.00	5.87	5.21
Primary articles	22.03	1.35	7.07
Food articles	15.40	0.21	3.50
Non-food articles	6.14	3.07	17.73
Fuel, power,light & lub.	14.23	9.79	4.77
Coal Mining	1.75	9.22	0.00
Minerals Oils	6.99	14.96	4.29
Liquified petroleum	1.84	9.47	0.00

gas			
Kerosene	0.69	-0.31	0.00
Petrol	0.89	17.92	3.62
High speed diesel oil	2.02	19.43	3.91
Manufactured products	63.75	6.44	4.55
Food products	11.54	3.61	8.14
Basic Metals Alloys & Metals Products	8.34	28.30	11.46

(c) & (d). Government`s anti-inflationary policies include strict fiscal and monetary discipline, effective management of supply-demand through liberal imports of essential commodities and strengthening of public distribution system for foodgrains.